



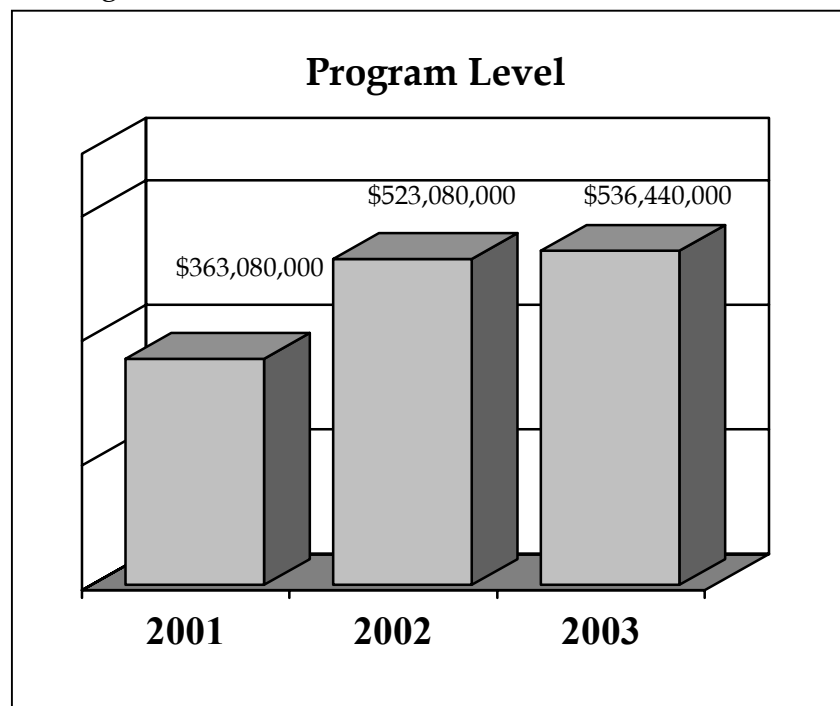
Construction Programs

Summary

New budget authority of \$193,740,000 is requested for the 2003 Construction, Major Projects appropriation; \$210,700,000 for Construction, Minor Projects appropriation; \$100,000,000 for the Grants for the Construction of State Extended Care Facilities; and \$32,000,000 for Grants for the Construction of State Veterans Cemeteries.

The Department of Veterans Affairs construction program is funded by four appropriations: Construction, Major Projects; Construction, Minor Projects; the Parking Revolving Fund; and the Nursing Home Revolving Fund. Two grant programs also provide funds for construction and/or renovation: Grants for the Construction of State Extended Care Facilities and Grants for the Construction of State Veterans Cemeteries.

The bar chart below and tables on the next page reflect appropriations for all Construction Programs.



Budget Authority (dollars in thousands)				
	2001 Actual	2002 Estimate	2003 Estimate	Increase (+) Decrease (-)
CARES	\$10,000	\$85,000	\$40,000	-\$45,000
General	1,000	28,000	0	-28,000
Clinical Improvements	0	0	0	0
Seismic Corrections	0	0	113,963	+113,963
Patient Environment	43,158	38,200	30,200	-8,000
Outpatient improvements	56,163	52,500	50,500	-2,000
Other improvements	37,404	70,000	70,077	+77
National cemeteries	69,340	89,480	74,300	-15,180
Staff offices	7,200	9,000	5,000	-4,000
Regional offices	10,850	21,500	20,000	-1,500
Emergency fund	400	400	400	0
Parking revolving fund	6,500	4,000	0	-4,000
Design fund offset	-1,400	0	0	0
Reprogramming	-1,735	0	0	0
Grants for State Extended Care Facilities	100,000	100,000	100,000	0
Grants for State Veterans Cemeteries	25,000	25,000	32,000	+7,000
Rescissions	-800	-0	0	0
Total, Construction	\$363,080	\$523,080	\$536,440	+\$13,360

Obligations and Budget Authority (dollars in thousands)				
	2001 Actual	2002 Estimate	2003 Estimate	Increase(+) Decrease(-)
Budget authority	\$363,080	\$523,080	\$536,440	\$13,360
Offsetting collection, non-federal sources	3,259	3,400	3,400	0
Unobligated balance:				
Start of year	-629,174	-642,953	-443,633	-199,320
End of year	642,953	443,633	336,873	+106,760
Total obligations	\$352,561	\$725,800	\$646,600	-\$79,200

Average Employment				
Purchase and hire (construction fund)	71	130	130	0

Construction, Major Projects

Program Description

The Construction, Major Projects appropriation provides for constructing, altering, extending, and improving any VA facility, including planning, architectural and engineering services, CARES activities, assessments, and site acquisition, where the estimated cost of a project is over \$4,000,000, or where funds for a project were made available in a previous appropriation under this heading.

New budget authority of \$193,740,000 is requested for the 2003 Construction, Major, appropriation. The major construction request includes funding for four seismic projects, two in Palo Alto, one in San Francisco, and one in West Los Angeles, California. Funds are also requested for new cemeteries in the vicinities of Pittsburgh, Pennsylvania and Miami, Florida and a columbaria and cemetery improvements project at Willamette, Oregon. The 2003 major construction request also includes \$3.4 million for design funds for new cemeteries in Detroit, Michigan and Sacramento, California. Additional funds are provided to remove hazardous waste and asbestos from Department-owned buildings, perform an emergency response security study, reimburse the judgment fund, and to support other construction related activities.

Funding of \$5 million is also requested for CARES activities in 2003. As of the end of fiscal year 2001, \$20 million has been appropriated in the major construction CARES fund, of that amount, approximately \$3 million was obligated. An additional \$60 million was appropriated in 2002, of which, \$40 million was conditionally provided to fund a blind and spinal cord injury center at the medical center at Hines, IL.

A summary of the program funding level by activity follows:

Location	Description	Total Estimated Cost	Available Through 2002	2003 Request
A. Medical Program (VHA):				
Seismic				
Palo Alto (Palo Alto Division), CA	Seismic Corrections, Building 2	\$14,013	\$0	\$14,013
Palo Alto (Palo Alto Division), CA	Seismic Corrections, Building 4 (Research)	21,750	0	21,750
San Francisco, CA	Seismic Corrections, Building 203	31,000	0	31,000
West Los Angeles, CA	Seismic Corrections, Building 500	27,200	0	27,200
	Subtotal	\$93,963	\$0	\$93,963
Advance Planning Fund	Various Locations	\$17,500	0	\$17,500
Asbestos Abatement	Various Locations	7,977	0	7,977
CARES Fund	Various Locations	5,000	0	5,000
	Subtotal	\$30,477	\$0	\$30,477
Total, Major VHA		\$124,440	\$0	\$124,440
B. National Cemetery Administration (NCA)				
Advance Planning Fund	Various Locations	\$1,800	\$0	\$1,800
Design Fund	Detroit and Sacramento	3,400	0	3,400
Pittsburgh, PA National Cemetery ^{1/}	Phase I Development	17,150	0	16,400
Southern Florida National Cemetery ^{1/}	Phase I Development	29,300	0	23,300
Willamette National Cemetery (OR)	Columbaria and Cemetery Improvements	9,750	0	8,400
Total, Major NCA ^{2/}		\$61,400	\$0	\$53,300
C. Other Line-Items				
Department Advance Planning		\$2,000	\$0	\$2,000
Claims Analyses	Various Locations	1,500	0	1,500
Emergency Response Security Study		2,000	0	2,000
Judgment Fund	Various Locations	10,000	0	10,000
Hazardous Waste	Various Locations	500	0	500
	Subtotal	\$16,000	\$0	\$16,000
Total, Construction, Major Program		\$201,840	\$0	\$193,740

1/ Land acquisition funds (\$15M) were provided in 2001 for Miami, \$2M in design was funded in FY 2002. The 2002 appropriation also included land acquisition for Pittsburgh, Detroit, and Sacramento areas (\$18M).

2/NCA total estimated costs exclude the purchase of pre-placed crypts, which are funded by the Compensation and Pensions appropriation.

Construction, Minor Projects

Program Description

The Construction, Minor Projects appropriation provides for constructing, altering, extending, and improving any VA facility, including planning, CARES activities, assessments of needs, architectural and engineering services, and site acquisition, where the estimated cost of a project is less than \$4,000,000. Public Law 106-117, Veterans Millennium Health Care and Benefits Act of 1999, gave VA the authority to make capital contributions from minor construction in enhanced-use leases. With the added emphasis on the seismic vulnerability of VA medical facilities, a separate line item for seismic correction has been included in the 2003 minor construction request.

New budget authority of \$210,700,000 is requested for the 2003 Construction, Minor Projects appropriation to provide funding for selected minor construction projects.

<i>Construction Projects by Category</i> <i>(dollars in thousands)</i>			2003 Estimate
A. Medical Program			\$164,300
Inpatient care and support	\$30,200		
Outpatient care and support	50,500		
Infrastructure and physical plant	14,300		
CARES Activities	35,000		
Seismic	20,000		
Other	14,300		
B. Regional Office Program			20,000
C. National Cemetery Program			21,000
D. Staff Offices Program			5,000
E. Emergency Fund			400
Total, construction, minor projects appropriation			\$210,700

Capital Asset Realignment for Enhanced Services (CARES)

CARES Fund (Construction, Major).....	\$5,000,000
CARES Activities (Construction, Minor).....	\$35,000,000

VA has undergone a profound transformation in the delivery of health care over the last decade. VA has moved from a hospital driven health care system to an integrated delivery system that emphasizes a full continuum of care. New technology and treatment modalities have changed how and where care is provided, with a significant shift from inpatient to outpatient services. Veterans Health Administration's (VHA) infrastructure was designed and built decades ago, under a different concept of health care delivery (i.e., hospital-centered inpatient care and long admissions for diagnosis and treatment). As a result, VHA's capital assets often do not align with current health care needs for optimal efficiency and access. Furthermore, the veteran population has shifted from the Northeast to the South and Southwest, so VA's health care infrastructure is no longer as accessible geographically as it once was to veterans that use VA health care. The cost to maintain and operate VA health care facilities that cannot provide efficient and accessible services substantially diminishes resources that could otherwise be used to provide better care in more appropriate settings and locations.

A March 1999 General Accounting Office (GAO) report concluded that VHA could significantly reduce the funds used to operate and maintain its capital infrastructure by developing and implementing market-based plans for restructuring assets. In response to GAO's report and subsequent Congressional hearings, VHA initiated development of the Capital Asset Realignment for Enhanced Services (CARES) process.

VHA has embarked on this significant new planning process with the goal of enhancing health care services to veterans by realigning capital assets. CARES will allow VA to about provide veterans the right care, at the right place, at the right time. After CARES is completed, and needed changes are made, appropriate access and service for those who currently use VA's health care system and for those who will use it in the future will be assured. The program will assess veterans' health care needs across the country, identify delivery options to meet those needs in the future, and guide the realignment and allocation of capital assets to support the selected option study to deliver health care services. Through CARES, VA will optimize care delivery in terms of both quality and access.

The CARES Fund (Construction, Major) will enable VA to fund advance planning, design development, construction documents, and construction for major capital initiatives stemming from the CARES recommendations. Any CARES related major construction project would continue to meet authorization (medical facilities \$4 million and over) and budgetary requirements (approved by Congress in the budgetary process). The 2002 Committee Report included \$60 million for the Construction, Major CARES fund for CARES activities. The Committee stated of the “amount made available under this heading for CARES activities, up to \$40 million shall be for construction of a blind and spinal cord injury center at the Hines Veterans Affairs medical Center pursuant to the Veterans Integrated Service Network (VISN) 12 CARES study.” Congress directed that these funds be available for obligation only after the Secretary of Veterans Affairs has initiated all actions necessary to implement fully Option B of the July 19, 2001, VISN 12 Service Delivery Options after consulting with interested and affected parties, and has initiated Phase II of the CARES process.

The CARES Activities (Construction, Minor) funds (\$35 million) have been proposed to allow VA to immediately implement CARES options that can be accomplished through the minor construction program (i.e., capital project costs have a minor improvement component greater than \$500K and a total project cost less than \$4 million). These funds will enable VA to implement design and construction of minor capital improvements needed to support CARES options.

A CARES Phase I (VISN 12) decision is anticipated in early calendar year 2002. Phase II (VISNs 1, 3, 4, 10, 11, 20, 21, and 22) and the remaining 12 VISN studies will begin after the completion of Phase I. The efficiencies from CARES may generate significant savings, mostly from operational right sizing. Savings generated by CARES implementation will be reinvested into the provision of direct clinical health care service enhancements (quality, access and services to meet the underserved, unmet needs of eligible veterans).

Parking Revolving Fund

Program Description

The Parking Revolving Fund provides for the construction, alteration, or acquisition (by purchase or lease) of parking structures and surface parking in order to accommodate the vehicles of employees of medical facilities, vehicles used to transport veterans and eligible persons to and from such facilities for examination or treatment, and the vehicles of visitors and other individuals having business at such facilities. This appropriation provides for expenditures of funds for leasing and construction of parking structures, spaces and surface parking for medical facilities.

No new budget authority is requested for the 2003 Construction, Parking Revolving Fund appropriation.

<i>Budget Authority</i> <i>(dollars in thousands)</i>				
	2001 Actual	2002 Estimate	2003 Estimate	Increase (+) Decrease (-)
Budget authority	\$6,500	\$4,000	\$0	-\$4,000
Rescission ^{1/}	-14	0	0	0
Receipts	3,259	3,400	3,400	0
Obligations	5,683	14,500	9,000	-5,500
Outlays (net)	4,814	2,738	3,976	+1,238

1/ Rescission per P.L. 106-554.

Nursing Home Revolving Fund

Program Description

The Nursing Home Revolving Fund provides for construction, alteration, and acquisition (including site acquisition) of nursing home facilities and may be used only as provided for in appropriation acts. Receipts to this revolving fund are realized from the transfer of any interest in real property that is owned by the United States and administered by the Department of Veterans Affairs and has an estimated value in excess of \$50,000.

No budget authority is required for this revolving fund. Amounts realized from a transfer pursuant to title 38, United States Code, Section 8122 (a)(2)(C) shall be administered as a revolving fund and shall be available without fiscal year limitation.

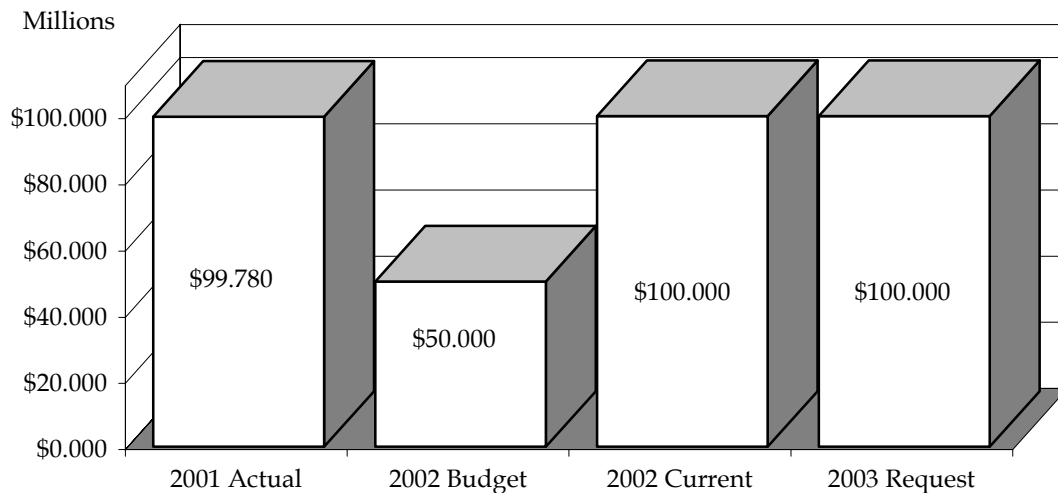
<i>Appropriation Highlights</i> (dollars in thousands)				
	2001 Actual	2002 Estimate	2003 Estimate	Increase (+) Decrease (-)
Budget authority	\$0	\$0	\$0	\$0
Obligations	0	0	0	0
Outlays	158	0	0	0
Receipts	0	0	0	0

Grants for Construction of State Extended Care Facilities

Program Description

The grant program assists States to acquire or construct State home facilities for furnishing domiciliary or nursing home care to veterans, and to expand, remodel or alter existing buildings for furnishing domiciliary, nursing home, or hospital care to veterans in State homes. This program was approved on August 19, 1964, and authorized an appropriation in 1965. At this time a grant may not exceed 65 percent of the total cost of the project. Public Law 95-62 authorized the Department of Veterans Affairs (VA) to participate in the construction of new domiciliaries as well as new nursing homes, and for sums appropriated to remain available until expended. Public Law 98-528 amended Section 8132 to allow States to purchase facilities to be used as State nursing homes and domiciliaries. Public Law 99-576 amended Section 8135 of title 38 to eliminate a limitation that prohibited any State

Budget Authority



from receiving in any fiscal year more than one-third of the amount appropriated in that fiscal year and required a priority list to be established on July 1 of each year. Public Law 100-322, dated May 20, 1988, further amended Section 8135 of title 38 to change the date for compiling a priority list of grantees from July 1 to August 15. Construction grants are to be made from that list for the fiscal year beginning October 1st. Public Law 100-322 also permitted VA to approve and award State home grants on a conditional basis and obligate funds for these awards.

Public Law 100-322 permits VA to increase a conditionally approved grant amount if: (1) the estimated cost on which VA based the conditional approval increases; and (2) VA conditionally approved the grant before the State awarded a construction or acquisition contract for the project. The final grant award increase would be limited to 10 percent of the original obligation. Public Law 102-585, dated November 4, 1992, granted permanent authority for this program and extended from 90 days to 180 days, the period within which a State must complete the application for a State home grant after receiving a conditional award. Public Law 104-262, dated October 9, 1996, added Adult Day Health Care as another level of care that may be provided by State homes.

Public Law 106-117, Veteran's Millennium Health Care and Benefits Act of 1999, provided greater specificity in directing VA to prescribe regulations for the number of beds for which grant assistance may be furnished. The following changes were enacted:

- Establishes criteria for determining the relative need for additional beds on the part of a State which already has such State home beds;
- Strengthens the requirements governing award of a grant;
- Revises provisions governing the relative priority of each application (among those projects for which States have made their funding available in advance);
- Differentiates among applications for new bed construction by reference to the relative need for such beds; by assigning a higher priority to renovation projects (with a total cost exceeding \$400,000), with highest priority to renovations involving patient life or safety and by assigning second highest priority to an application from a State that has not previously applied for award of a VA construction grant or a grant for a State nursing home; and
- Establishes a "transition" rule providing that current regulations and provisions governing applications for State home grants would continue in effect with respect to applications for a limited number of projects. Those "grandfathered" projects are limited to those projects on the list of approved projects, established by the Secretary on October 29, 1998, for which the State had made sufficient funds available and those priority one projects on VA's 2000 list, approved by the Secretary on November 3, 1999, submitted by States which have not received 1999 grant monies and are not included in the October 29th list.

Appropriation Highlights
(dollars in thousands)

	2001 Actual	2002 Estimate	2003 Request	Increase/ Decrease
Appropriation.....	\$100,000	\$100,000	\$100,000	0
Rescission - P.L. 106-554.....	(220)	0	0	0
Adjusted Appropriation.....	99,780	100,000	100,000	0
Obligations.....	85,040	242,099	100,000	(\$142,099)
Outlays.....	60,482	91,457	94,717	3,260

Changes From Original 2002 Budget Request
(dollars in thousands)

	2002		
	Budget Estimate	Current Estimate	Increase/ Decrease
Appropriation.....	\$50,000	\$100,000	\$50,000
Obligations.....	73,926	242,099	168,173
Outlays.....	91,457	91,457	0

Program Summary
(dollars in thousands)

Obligations.....	\$85,040	\$73,926	\$242,099	\$100,000	(\$142,099)
Unobligated Balance:					
Start-of-Year.....	(127,359)	(23,926)	(142,099)	0	142,099
Unobligated Balance:					
End-of-Year.....	142,099	0	0	0	0
Budget Authority.....	\$99,780	\$50,000	\$100,000	\$100,000	\$0
Outlays.....	\$60,482	\$91,457	\$91,457	\$94,717	\$3,260

VA actual obligations are reflected in the following table:

Location	Projects		Number of New Beds	Total Estimated Cost \$(000)	Actual VA Obligations Cost \$(000)
	With Beds	W/O Beds			
Alexander City, AL.....	1	0	150	\$7,629	\$4,959
Anderson, SC.....	1	0	220	12,520	7,516
Anna, IL.....	1	0	60	4,510	2,932
Armored, OK.....	2	1	150	9,501	6,176
Augusta, GA.....	1	0	192	1,956	978
Augusta, ME.....	1	0	120	4,472	2,907
Aurora, CO.....	1	0	180	23,843	15,498
Bangor, ME.....	1	0	120	10,154	6,600
Barboursville, WV.....	2	0	201	4,060	2,508
Barstow, CA.....	1	0	400	30,500	19,825
Batavia, NY.....	1	0	120	15,000	8,633
Bay Minette, AL.....	1	0	150	10,035	6,523
Bennington, VT.....	5	2	192	11,960	7,006
Big Springs, TX.....	1	0	160	11,770	7,650
Boise, ID.....	2	1	186	6,795	4,292
Bonham, TX.....	1	0	160	11,770	7,650
Boulder City, NV.....	1	0	180	20,930	13,604
Bristol, RI.....	2	1	315	8,377	5,264
Buffalo, NY.....	1	2	60	3,633	2,254
Cape Girardeau, MO.....	1	0	150	8,364	5,436
Cameron, MO.....	1	0	200	20,356	13,200
Caribou, ME.....	1	0	40	1,850	1,187
Charlotte Hall, MD.....	4	0	504	33,885	20,432
Chelsea, MA.....	0	19	0	7,999	4,593
Chula Vista, CA.....	1	0	400	34,803	22,100
Claremore, OK.....	2	0	302	22,769	14,364
Clinton, OK.....	3	2	89	10,223	6,568
Collins, MS.....	1	0	150	9,451	6,143
Columbia Falls, MT.....	2	0	55	1,711	1,040
Columbia, SC.....	1	0	115	1,982	687
Daytona Beach, FL.....	1	0	120	11,646	7,764
Erie, PA.....	1	4	75	6,862	3,550
Fayetteville, NC.....	1	0	150	8,801	692
Fergus Falls, MN.....	1	0	85	8,000	5,200
Florence, CO.....	1	1	120	1,401	894
Floresville, TX.....	1	0	160	11,746	7,635
Ft. Dodge, KS.....	1	0	88	830	415
Georgetown, OH.....	1	0	0	15,933	10,356
Glendive, MT.....	1	0	80	5,691	3,699
Grand Island, NE.....	2	1	200	3,299	1,333
Grand Rapids, MI.....	2	1	762	22,005	12,993
Hanson, KY.....	1	0	120	13,635	8,863
Hastings, MN.....	0	4	0	4,888	3,292
Hazard, KY.....	1	0	120	15,457	10,047
Holidaysburg, PA.....	3	4	560	26,569	16,567
Holyoke, MA.....	1	10	155	4,062	2,130
Homelake, CO.....	1	5	50	2,822	1,864
Hot Springs, SD.....	1	3	2	1,330	829
Humboldt, TN.....	1	0	120	7,538	4,900
Huntsville, AL.....	2	0	150	10,308	6,701
Jackson, LA.....	1	0	235	8,675	5,000
Jackson, MS.....	1	0	150	6,198	3,931
Juana Diaz, PR.....	2	0	240	13,667	8,884
King, WI.....	4	11	649	34,801	20,385
Kosciusko, MS.....	1	0	150	9,172	5,962
Lafayette, IN.....	2	0	250	12,532	6,126
Lake City, FL.....	1	0	150	6,739	4,376
Land O' Lakes, FL.....	1	0	120	11,944	7,764
LaSalle, IL.....	1	0	120	7,200	4,643

Location	Projects		Number of New Beds	Total Estimated Cost \$(000)	Actual VA Obligations Cost \$(000)
	With Beds	W/O Beds			
Lawson, OK.....	1	0	200	\$38,226	\$24,847
Lewiston, ID.....	1	0	66	6,012	3,908
Lisbon, ND.....	1	3	38	5,381	3,498
Little Rock, AR.....	2	0	211	2,182	1,418
Luverne, MN.....	1	0	83	7,457	4,847
Manteno, IL.....	1	0	300	18,094	11,761
Marquette, MI.....	2	0	244	10,639	6,915
Marshalltown, IA.....	3	16	620	42,557	27,205
Menlo Park, NJ.....	3	4	532	47,284	30,058
Mexico, MO.....	1	0	150	8,027	5,204
Milledgeville, GA.....	2	1	282	12,284	6,808
Minneapolis, MN.....	2	8	540	43,831	28,358
Monroe, LA.....	1	1	156	11,849	7,279
Montrose, NY.....	1	0	252	43,856	28,506
Murfreesboro, TN.....	1	0	120	5,126	3,226
Norman, OK.....	2	1	351	29,737	19,255
Norfolk, NE.....	1	0	159	16,516	10,527
Omaha, NB.....	0	1	0	1,913	1,243
Orting, WA.....	1	10	40	4,382	2,805
Oxford, MS.....	1	0	150	9,537	6,199
Paramus, NJ.....	2	0	354	28,677	18,251
Pembroke Pines, FL.....	1	0	120	15,344	9,924
Philadelphia, PA.....	1	0	170	20,930	13,605
Phoenix, AZ.....	1	0	200	14,189	9,223
Pittsburgh, PA.....	1	0	250	27,339	17,770
Pocatello, ID.....	1	0	66	5,277	3,430
Quincy, IL.....	2	5	217	3,976	2,772
Retsil, WA.....	1	8	78	5,989	3,871
Rifle, CO.....	1	0	100	3,571	2,321
Roanoke, VA.....	1	0	240	17,846	9,161
Rocky Hill, CT.....	0	10	0	4,656	2,843
Salisbury, NC.....	1	0	99	3,371	2,191
Salt Lake City, UT.....	1	0	80	6,792	4,415
St. Albans, NY.....	1	0	250	28,919	18,798
St. James, MO.....	3	1	410	27,754	16,829
Sandusky, OH.....	2	7	600	47,762	30,008
Scarborough, ME.....	2	0	150	11,226	6,858
Scotts Bluff, NB.....	1	2	50	4,520	2,854
Scranton, PA.....	1	0	200	23,143	13,477
Silver Bay, MN.....	1	0	89	2,481	1,613
South Paris, ME.....	1	0	90	7,619	4,953
Spring City, PA.....	3	1	342	17,936	11,653
Stony Brook, NY.....	1	0	350	25,400	16,510
Sulfur, OK.....	1	1	60	5,077	3,300
Talihina, OK.....	1	1	51	9,438	5,999
Temple, TX.....	1	0	160	11,770	7,650
The Dallas, OR.....	1	0	151	14,218	9,242
Tilton, NH.....	3	0	150	7,022	4,414
Truth or Consequences, NM.....	1	1	186	5,662	3,636
Union Grove, WI.....	1	0	86	2,857	1,857
Vineland, NJ.....	3	5	300	16,432	8,663
Walsenburg, CO.....	1	0	120	7,741	5,404
Warrensburg, MO.....	1	0	200	20,960	13,624
Wilmore, KY.....	1	0	300	14,923	10,315
Winfield, KS.....	1	0	402	17,171	10,641
Yountville, CA.....	1	25	56	94,694	61,384
Grand Total.....	156	190	21,703	1,604,231	1,008,646

Grants for Construction of State Veterans Cemeteries

Program Description

Grants are provided to States for the establishment, expansion, or improvement of state veterans cemeteries. The state veterans cemeteries complement the national cemeteries and are a critical part of National Cemetery Administration (NCA) strategy for meeting the goal of assuring that the burial needs of veterans are met. In 2001, 15,409 veterans and eligible family members were buried in State veterans cemeteries that have been assisted by the program.

NCA data show that about 80 percent of persons interred in national cemeteries resided within 75 miles of the cemetery at time of death. Based upon this experience, NCA has determined that reasonable access to a burial option means that a first interment option (whether for casketed remains or cremated remains, either in-ground or in columbaria) in a national or state veterans cemetery is available within 75 miles of the veteran's place of residence. It is not realistic, however, to build and operate national cemeteries in sufficient numbers, and situated in such a manner, so that every eligible veteran has reasonable access to a burial option in a national cemetery. Increasing the availability of state veterans cemeteries is a means to provide a burial option to those veterans who may not have reasonable access to a national cemetery. States may locate these cemeteries in areas where there are no plans for NCA to operate and maintain a national cemetery.

Public Law 105-368 amended 38 U.S.C. 2408 by increasing the maximum Federal share of costs of construction from 50 percent to 100 percent, and by permitting Federal funding for the cost of initial equipment when the cemetery is established. The States remain responsible for providing the land and for paying all costs related to the operation and maintenance of the state cemeteries, including the costs for subsequent equipment purchases. This law also extended the grant program's authorization through 2004.

<i>Appropriation Highlights</i> (dollars in thousands)				
	2001 Actual	2002 Current Estimate	2003 Estimate	Increase(+) Decrease(-)
Appropriation	\$25,000	\$25,000	\$32,000	+\$7,000
Rescission	-55	0	0	0
Obligations	23,756	41,701	32,000	-9,701
Outlays	20,347	21,167	24,984	+3,817